

ANHEUSER-BUSCH, INCORPORATED





DIRECTORS

*AUGUST A. BUSCH, JR. Chairman of the Board AUGUST A. BUSCH III *DAVID R. CALHOUN, JR. JOHN FLANIGAN *A. VON GONTARD Vice Chairman of the Board *ANDREW W. JOHNSON JOHN F. KREY II H. NORRIS LOVE *J. W. McAFEE *R. A. MEYER JAMES B. ORTHWEIN W. R. PERSONS CURT H. REISINGER ETHAN A. H. SHEPLEY *JOHN L. WILSON *Members of Executive Committee

OFFICERS

AUGUST A. BUSCH, JR.

President

R. A. MEYER Vice President and General Manager

FRANK H. SCHWAIGER Senior Vice President - Brewing

> E. H. VOGEL, JR. Vice President

> > C. J. HAUSER Vice President

HENRY N. McCLUNEY Vice President

AUGUST A. BUSCH III Vice President

> JOHN FLANIGAN Vice President

WALTER T. SMITH, JR. Vice President

HUGO WANINGER

R. C. GADSBY

Vice President
OWEN RUSH

Vice President

RICHARD J. BENDER Vice President

JOHN H. PAHLMANN Controller

MRS. K. SIEBERT Secretary

REID McCRUM Treasurer

R. A. RAWIZZA
Assistant Controller

THOMAS J. CARROLL
Assistant Secretary

JOHN L. HAYWARD
Assistant Treasurer

DIVISIONAL VICE PRESIDENTS

Yeast-Corn Products Division

PAUL C. GUIGNON
CARL E. WITTER
RICHARD F. AMACHER
WAYNE K. KISTLER

STOCK TRANSFER AGENTS

ST. LOUIS UNION TRUST COMPANY

510 Locust Street St. Louis, Missouri

CHEMICAL BANK NEW YORK TRUST COMPANY

20 Pine Street New York, New York

STOCK REGISTRARS

MERCANTILE TRUST COMPANY
721 Locust Street

St. Louis, Missouri

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

30 West Broadway New York, New York

DEBENTURES—TRUSTEE, REGISTRAR AND PAYING AGENT

MANUFACTURERS HANOVER TRUST COMPANY

40 Wall Street

New York, New York

ANNUAL REPORT
TO
SHAREHOLDERS
OF
ANHEUSER-BUSCH,
IN.CORPORATED

SAINT LOUIS, MISSOURI



Co the memory of our beloved friend and director of the company, Eberhard Anheuser, who died July 29, 1963.

Mr. Anheuser began his career with the company in 1896 and was serving as a director at the time of his death.

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Anheuser-Busch Products Inside Covers

THE PRESIDENT'S LETTER

To the Shareholders of Anheuser-Busch, Incorporated:

While sales of each of our divisions set new high records in 1963, profits are down from the all-time high earned in 1962.

Total dollar sales were \$447,303,019 as compared with \$426,670,314 in 1962. Earnings were \$15,586,402, or \$3.18 per share. This compares with \$17,009,029, or \$3.47 per share in 1962.

Beer volume amounted to 9,397,224 barrels, up 362,588 barrels from 1962. Each of our brands of Budweiser, Michelob and Busch Bavarian showed a volume increase over 1962.

In May we became the first United States brewery to ship in excess of one million barrels of beer in a single month, with sales in that month totaling 1,009,603 barrels.

In the Brewing Division higher operating costs, including an additional \$920,577 of depreciation on new facilities, were not offset by higher selling prices, but could only be paid for out of increased volume.

Advertising and sales promotion expenses, which accompanied the introduction of our Busch Bavarian into the California market on April 1, 1963, were higher than normal for this type of expenditure in established markets.

The Yeast Corn Products Division also gained a substantial sales increase during 1963. Net sales of this division increased 12% over 1962 and accounted for 14% of the net sales of the company.

Substantial increases in the cost of raw materials of our Yeast Corn Products Division, principally corn and molasses, were only partially offset by some increases in selling price and increased sales volume.

During the year we continued to host a large number of visitors at all of our facilities.

Over 250,000 persons visited Grant's Farm during 1963.

Busch Gardens at our Tampa Plant entertained $1\frac{1}{2}$ million people during the year, and more than $5\frac{1}{2}$ million since the Gardens opened in 1959. The expansion of these Gardens, authorized in 1962, was substantially completed during 1963, making it possible to see more of our good friends there in the future.

In August, ground was broken for a new Busch Gardens adjacent to our Los Angeles Plant. We expect to open this attraction to the public in 1965.

What about the future?

Anheuser-Busch has never made a practice of predicting the outcome of the years ahead. We are confident, however, of our ability to sell our fine products in increasing amounts in the years ahead.

During 1963 we broke ground for a new brewery in Houston which will have an annual capacity of one million barrels of our beers. We expect this facility to go into production during the early part of 1966.

We regret to report the death of our good friend and colleague Eberhard Anheuser on July 29, 1963. Because of his more than 65 years of service we are dedicating this annual report to his memory.

We also regret to report that Andrew W. Johnson, a director of the company, died February 6, 1964. Mr. Johnson had been a member of the board of directors for 13 years.

I want to extend to our shareholders our sincere appreciation for their confidence and support of Management. We shall do everything in our power to assure a continuance of that confidence.



of the shareholders of the Company will be held on Wednesday, April 22, 1964 at 10:00 a.m., C.S.T. A notice of that meeting and proxies on behalf of the management will be sent to the shareholders on or about April 1, 1964 Respectfully submitted,

August A. Busch, Jr.

President and Chairman of the Board



THE YEAR AT A GLANCE...

	1963	1 1962
YEAR ENDED DECEMBER 31		
Barrels of beer sold	9,397,224	9,034,636
Sales—less freight, discounts and allowances	\$447,303,019	\$426,670,314
Inventory turnover in cost of sales	7.6 times	7.2 times
All costs and expenses except taxes	304,578,796	285,599,775
All taxes	127,137,821	124,061,510
Per share	25.91	25.29
Earnings	15,586,402	17,009,029
Ratio to net sales	4.5%	5.2%
Return on average invested capital	9.3%	10.7%
Per share	3.18	3.4
Cash dividends paid	7,851,414	7,358,61
Per cent of earnings distributed	50%	43%
Per share	1.60	1.5
Earnings retained	7,734,988	9,650,41
Provision for depreciation charged to operations	12,964,352	12,043,77
Capital expenditures	14,545,564	23,470,25
FINANCIAL CONDITION AT DECEMBER 31 Current assets	73,484,781	68,391,94
Current liabilities	21,948,294	21,560,36
Working capital	51,536,487	46,831,58
Working capital ratio	3.4 to 1	3.2 to
Investments and other assets	10,295,500	9,063,24
Net property	127,129,619	126,816,66
Per share	25.91	25.8
Long-term debt	18,049,000	19,584,00
Per share	3.68	3.9
Capital stock and retained earnings	170,912,606	163,127,49
Per share	34.83	33.2
Number of shares substanding at December 21	4 907 550	4,906,05
Number of shares outstanding at December 31 Number of shareholders at December 31	4,907,559 15,834	
Number of Shareholders at December 31	13.634	16.00
Number of employees of December 21		16,09
Number of employees at December 31	8,626 81,383,740	16,09 8,50 \$77,837,97

REVIEW OF THE YEAR ...1963

The following summary compares the operations of 1963 with 1962:

	In Thousands			
	1963	1962	Change	
Barrels sold (all beers)	9,397	9,035	362	
Net sales	\$343,582	\$327,168	\$16,414	
Cost of doing business	311,466	292,085	19,381	
Income before taxes	32,116	35,083	(2,967)	
Tax provision	16,530	18,074	(1,544)	
Earnings	15,586	17,009	(1,423)	
Per share	3.18	3.47	(.29)	

The investment credit provision of the Revenue Act of 1962 permits the Company to reduce its federal income tax payments by \$1,276,977 in 1963 and \$263,415 in 1962. These amounts, which have been added to the tax provision, will be reflected in income over the productive lives of the qualified property additions.

Return on average invested capital for the year was 9.3% compared with 10.7% for 1962, and the ratio of earnings to net sales was 4.5% compared with 5.2% for 1962.

Cash dividends of \$1.60 per share were paid in 1963. The Company paid cash dividends in each of the past 31 years, and stock dividends in the years 1953 and 1954.

Condensed statement of beer volume and consolidated earnings by quarters is shown below:

In Thousands			
First Quarter	Second Quarter	Third Quarter	Fourth Quarter
1,912	2,778	2,597	2,110
\$71,343	\$99,682	\$94,211	\$78,346
3,099	3,241	3,286	3,338
5,211	9,642	10,759	6,504
2,491	4,609	5,143	3,343
.51	.94	1.05	.68
	1,912 \$71,343 3,099 5,211 2,491	First Quarter 1,912 2,778 \$71,343 \$99,682 3,099 3,241 5,211 9,642 2,491 4,609	First Quarter Quarter 1,912 2,778 2,597 \$71,343 \$99,682 \$94,211 3,099 3,241 3,286 5,211 9,642 10,759 2,491 4,609 5,143

WORKING CAPITAL

Working capital at December 31, 1963, was \$51,536,487 and working capital ratio was 3.4 to 1. Cash and marketable securities (excluding U. S. Government securities deducted from current liabilities) aggregated \$20,874,613 or 95% of current liabilities of \$21,948,294.

The following statement summarizes the flow of funds for the past three years and accounts for the changes in working capital:

In Thousands		
1963	1962	1961
\$15,586	\$17,009	\$15,116
12,964	12,044	11,158
50	48	289
37	(1,052)	6,397
28,637	28,049	32,960
14,546	23,470	19.434
7,851	7,359	7,346
1,535	1,518	3,391
23,932	32,347	30,171
\$ 4,705	\$ (4,298)	\$ 2,789
	\$15,586 12,964 50 37 28,637 14,546 7,851 1,535 23,932	1963 1962 \$15,586 \$17,009 12,964 12,044 50 48 37 (1,052) 28,637 28,049 14,546 23,470 7,851 7,359 1,535 1,518 23,932 32,347

INCOME DOLLAR ALLOCATIONS

Comparison of the changes in the analysis of the Company's income dollar for 1963 and 1962 is shown below:

	In Thousands			1
	1963	%	1962	%
or materials and supplies	\$169,737	36.4	\$154,404	34.7
o governments for taxes	127,138	27.3	124,062	27.8
o employees for salaries, wages and benefits	79,243	17.0	75,849	17.0
or all other costs and expenses	74,838	16.0	73,918	16.6
Total costs and expenses	450,956	96.7	428,233	96.1
ash dividends paid to shareholders	7,851	1.7	7,359	1.7
arnings retained in business	7,735	1.6	9,650	2.2
Income dollar	\$466,542	100.0	\$445,242	100.0

TAXES

Total taxes applicable to 1963 operations (not including the many hidden taxes included in materials and services purchased) amounted to \$127,137,821; direct taxes for the last three years were:

	In Thousands	
1963	1962	1961
\$104,035 16,530 6,573	\$ 99,815 18,074 6,173	\$ 92,493 15,758 5,420
\$127,138 25.91	\$124,062 25,29	\$113,671 23.18
	\$104,035 16,530 6,573 \$127,138	1963 1962 \$104,035 \$ 99,815 16,530 18,074 6,573 6,173 \$127,138 \$124,062



EMPLOYEES AND LENGTH OF SERVICE 8,626

Within the group of 20 years and over, there are 286 employees who have been with the Company for more than 30 years.

PROPERTY

The following schedule presents capital expenditures and depreciated values for the past five years, including Busch Stadium:

In Thousands

	Additions	Depreciated Value December 31
1959	\$ 14,180	\$108,054
1960	17,076	114,293
1961	19,434	117,177
1962	23,470	128,054
1963	14,546	128,230
Total	\$ 88,706	

During 1963 construction was started on a new brewery in Houston which will have an annual capacity of 1,000,000 barrels of our beers. It is expected that this facility will be completed during the early part of 1966.

SHAREHOLDERS

At the close of the year, shareholders numbered 15,834 compared with 16,093 at the end of 1962.

	Holders of Record	Shares Held
Men	4,637	801,285
Women	4,735	977,599
Joint names	4,949	343,198
Fiduciaries	787	982,218
Institutions, foundations, brokers, nominees and others	726	1,803,259
Total	15,834	4,907,559

EMPLOYEE RELATIONS

At December 31, 1963, employment was 8,626. Salaries and wages to officers and employees amounted to \$72,780,352. Pension, life insurance and welfare benefits aggregated \$6,462,977; payroll taxes totaled \$2,140,411.

FARM PRODUCTS

The American farmer supplies the domestic hops, barley, rice, and other grains used in the production of beer; corn for various products produced from corn; and molasses used in the production of yeasts.

Farm products purchased by the Company in 1963 had an aggregate value of \$40,534,000. Processing of brewers grains and corn produced 134,400 tons of high protein animal feed having a sales value of \$6,141,000.

In the brewing of Budweiser, the Company is one of the few breweries using rice exclusively as an adjunct grain to barley malt.

RESEARCH

During 1963 a Brewing Technical Center was established which will be responsible for the Company's expanded research and development activities in brewing and malting. The following projects are among those currently being investigated:

Process engineering, including pilot plant investigation, seeking to utilize the latest technological advances to insure that our high standards of quality will not be compromised by necessary cost reductions in present operations and future expansion.

Flavor research in which trained human taste buds are used in conjunction with chemical analysis to insure the uniformity of flavor for which our beers are noted.

Pilot plant production, utilizing the Phillips Petroleum Company's process, of limited quantities of beer concentrate and the evaluation of the results of this production for consumer acceptance.

The packaging of beer has undergone many changes in the past year and our Package Engineering group is constantly seeking out new customer conveniences in the packaging of bottled, canned, and draught beer.

The Corn Products Research Section developed several new starch and dextrine products for use in the food, adhesive, and paper industries.

In the Yeast Research Section successful efforts were made to improve the quality and uniformity of our bakers' yeast and to improve process control of raw materials. Research was conducted on improved methods for processing and packaging bakers' yeast.

ST. LOUIS CARDINALS

Operations of the St. Louis Baseball Cardinals for their fiscal year ended October 31, 1963, resulted in a net profit of \$133,114.

MANAGEMENT CHANGES

Mr. James B. Orthwein and Mr. W. R. Persons were elected to the Board of Directors at the annual shareholders meeting held April 24, 1963. In August Mr. August A. Busch III was elected a director to fill the vacancy created by the death of Mr. Eberhard Anheuser.

The following officer appointments were made during 1963:

E. H. Vogel, Jr.—Vice President August A. Busch III—Vice President John H. Pahlmann—Controller

STOCK OPTION PLAN

On August 2, 1955, shareholders approved a restricted stock option plan for officers and key employees of the Company and its subsidiaries to the extent of 240,811 unissued shares of common stock. Option prices are not less than 95% of fair market value at dates of grant (110% in the case of a person possessing 10% or more of the combined voting power of the Company).

During 1963 no new options were granted. Options covering 1,500 shares were exercised at prices ranging from \$32.93 to \$36.575 per share and options covering 9,500 shares at \$54.27 per share terminated.

At December 31, 1963, the following options were outstanding:

Date of Grant	Number of Optioned Shares	Option Price
November 14, 1955	500	\$ 19.00
September 16, 1960	500	32.93
December 19, 1960	2,680	36.575
December 18, 1961	78,150	54.27
January 9, 1962	500	52.09
April 24, 1962	10,000	58.95
Total shares	92,330	

29,392 of the 92,330 optioned shares at December 31, 1963 were exercisable at that date.

LEGAL PROCEEDINGS

On July 14, 1961, a complaint was filed against the Company by International Breweries, Inc. in the United States District Court for the Southern District of Florida, at Tampa, alleging that the Company is unlawfully using the word "Bavarian" on one of its beers, and seeking to have the Company enjoined from using the words "Bavarian" and "Bavarian's" in connection with the sale or distribution of beer or closely related products other than in certain areas where such words were used on May 15, 1957. The complaint does not challenge the use by the Company of the trademark "Busch" in connection with the sale of Busch Bavarian beer.

On March 30, 1962, a complaint was filed against the Company and Swed Distributing Company and Swed (Louis) Distributing Company by International Breweries, Inc., in the United States District Court for the Southern District of Florida, at Tampa, alleging violations by the Company of the Sherman and Clayton Acts and requesting treble damages.

On February 1, 1962, the Company acquired from Rahr Malting Co., its malting and grain storage facilities at Manitowoc, Wisconsin. On January 31, 1962, in the United States District Court for the Eastern District of Missouri, Eastern Division, the United States of America filed suit under Section 7 of the Clayton Act to enjoin the Company from this acquisition. No preliminary injunction was sought. The relief sought by the United States is to require the Company to divest itself of the malting and grain storage facilities at Manitowoc acquired from the Rahr Malting Co. The Company has denied violation of Section 7 of the Clayton Act and of any anti-trust acts and the consequent restraint of interstate commerce.

On December 21, 1962, the United States of America filed suit in the United States District Court, Eastern District of New York, against the F.&M. Schaefer Brewing Company and the Company alleging, among other things, that the defendants were engaged in a combination and conspiracy in unreasonable restraint

of interstate commerce in violation of Section 1 of the Sherman Act. The main allegation of the complaint is that henceforth the Company would only sell its Budweiser beer to Schaefer for resale to retailers within the New York Metropolitan area. The complaint further alleges that the Company eliminated itself as a competitor in this area and deprived the retailers of a competitive source of supply of Budweiser beer. The Government requests that the defendants be enjoined from continuing such activity.

During 1963 two shareholders of the Company filed suit against Mr. August A. Busch, Jr. and the Company asserting that certain sales to Mr. Busch under the Company's Stock Option Plan were in violation of the preemptive rights of the shareholders who had voted against adoption of such Plan in 1955, and also that Mr. Busch was receiving compensation in excess of the value of his services. During January 1964 the Court ruled against the suing shareholders. The decisions remain subject to appeal.

The Company was defendant in certain other lawsuits at December 31, 1963, the ultimate outcome of which cannot be determined at this time. The Company's liability under such suits, if any, would not materially affect its financial condition or operations.

OTHER MATTERS

The directors and shareholders of the Company have, subject to certain conditions, authorized an investment of \$5,000,000 in securities of the Civic Center Redevelopment Corporation which was formed to redevelop an area adjacent to the central business district of St. Louis by the construction of various improvements, including a stadium. The Company's obligations, in respect thereto, are conditioned upon the procurement from other sources of the balance of the required capital, the negotiation of a satisfactory lease for the use of the stadium by the Baseball Cardinals, and certain other conditions in connection therewith.

INDEPENDENT ACCOUNTANTS OPINION...

PRICE WATERHOUSE & Co.

14 South Fourth Street

St. Louis 2

February 10, 1964

To the Shareholders and
Board of Directors of
Anheuser-Busch, Incorporated

In our opinion, the accompanying statements present fairly the consolidated financial position of Anheuser-Busch, Incorporated and its subsidiaries at December 31, 1963 and the results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Haterhouse & Co.



CONSOLIDATED BALANCE SHEET

ASSETS	December 31 1963	December 31 1962
Current Assets:		
Cash	\$ 12,910,493	\$ 11,509,620
Marketable securities, at cost which approximates market	7,964,120	7,964,611
Accounts and notes receivable, less allowance for doubtful accounts of \$450,000 in 1963 and \$600,000 in 1962	17,876,289	14,947,068
Inventories, at lower of cost or market, cost being determined under the "last-in, first-out" method for approximately 58% of total inventories in 1963:		
Finished goods	5,372,893	5,191,229
Work in process	7,135,008	6,426,446
Raw materials and supplies	22,225,978	22,352,970
Total current assets	73,484,781	68,391,944
Investment and advances — St. Louis National Baseball Club, Inc	2,800,000 1,099,960 6,395,540 10,295,500	3,150,000 1,237,543 4,675,699 9,063,242
Property, at cost:		
Plant and branch properties— Land	7,608,874	6,287,391
Buildings	86,900,429	86,021,447
Machinery and equipment	140,414,796	121,012,611
Construction in progress	6,052,067	17,585,695
Other real estate	3,279,295	2,657,288
	244,255,461	233,564,432
Less accumulated depreciation	117,125,842	106,747,763
- accommitted depreciation	127,129,619	126,816,669
-		
	\$210,909,900	\$204,271,855

The above statement should be read in conjunction with pages 4,7 and 8 of this report.

ANHEUSER-BUSCH, INCORPORATED and subsidiaries

LIABILITIES	December 31 1963	December 31 1962
Current Liabilities:		
Accounts payable	\$ 8,645,114	\$ 9,617,692
Accrued salaries and wages	3,580,903	3,196,556
Accrued taxes, other than income taxes	3,516,695	3,514,797
Estimated federal and state income taxes, less United States Government securities of \$4,961,576 in 1963 and \$7,409,839 in 1962	5,298,424 907,158	4,490,161 741,155
Total current liabilities	21,948,294	21,560,361
Jong-Term Debt: 3 % debentures maturing 1965 to 1977, less \$1,306,000 in treasury in 1963 and \$1,261,000 in 1962	18,049,000	19,584,000
Shareholders Equity: Common stock, \$4 par value, authorized 6,000,000 shares		
(154,970 shares reserved under stock option plan); issued, 4,928,966 shares in 1963 and 4,927,466 shares in 1962	19,715,864	19,709,864
Capital surplus (principally arising from stock dividends)	9,810,262	9,766,138
Retained earnings (\$54,032,357 restricted as to payment of cash		
dividends under debenture indenture)	141,863,532	134,128,544
	171,389,658	163,604,546
Less cost of 21,407 shares of treasury stock	477,052	477,052
	170,912,606	163,127,494
	X	1.00

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

\$447,303,019	\$426,670,314
	\$ 120,0,0,01T
103,721,278	99,502,123
343,581,741	327,168,191
248,681,930	231,224,323
57,667,128	55,593,355
5,954,534	6,215,342
312,303,592	293,033,020
31,278,149	34,135,171
1,773,707	1,984,004
(935,387)	(1,036,629)
32,116,469	35,082,546
16,530,067	18,073,517
15,586,402	17,009,029
134,128,544	124,478,133
149,714,946	141,487,162
7,851,414	7,358,618
\$141,863,532	\$134,128,544
	248,681,930 57,667,128 5,954,534 312,303,592 31,278,149 1,773,707 (935,387) 32,116,469 16,530,067 15,586,402 134,128,544 149,714,946 7,851,414

Provisions for depreciation of \$12,964,352 in 1963 and \$12,043,775 in 1962 are included in costs and expenses.

CONSOLIDATED STATEMENT OF CAPITAL SURPLUS

1963	1962
\$ 9,766,138	\$ 9,724,428
44,124	41,710
\$ 9,810,262	\$ 9,766,138
	\$ 9,766,138 44,124

The above statements should be read in conjunction with pages 4, 7 and 8 of this report.

SALES, INCOME, DIVIDENDS, EARNINGS REINVESTED. DEPRECIATION and PAYROLLS

	Barrels	Net Sales	Income Before Taxes	Earnings	Earnings Per Share	Dividends §Shares Outstanding	Per	Earnings Reinvested	Depreciation Charged to Operations	Direct Payroll
1933	607,511	\$ 15,049,833	\$ 457,251	\$ 325,529	\$ 1.81	180,000	\$ 3.00‡		\$ 975,821	NA
1934	1,093,223	16,843,719	1,083,704	907,767	5.04	180,000	1.00	\$ 727,767	1,152,746	NA
1935	1,135,776	17,223,306	1,049,258	891,918	4.96	180,000	1.00‡	486,918	1,207,543	\$ 5,576,000
1936 -	1,376,692	21,150,154	3,715,984	3,041,653	16.90	180,000	12.00	881,653	1,285,920	6,356,000
1937	1,839,960	33,311,896	5,771,871	4,164,245	23.13	180,000	8.00	2,724,245	1,249,768	8,250,000
1938	2,087,188	35,803,704	6,773,409	5,445,867	6.05	900,000	1.60	4,005,867	1,428,096	8,922,000
1939	2,305,988	39,397,379	8,667,745	7,013,250	7.79	900,000	3.50	3,863,250	1,518,393	9,532,000
1940	2,462,211	42,859,413	8,624,393	6,407,883	7.12	900,000	4.00	2,807,883	1,709,360	10,288,000
1941	3,089,954	55,945,667	12,774,685	6,780,492	7.53	900,000	5.00	2,280,492	2,011,846	12,163,000
1942	3,492,343	68,009,070	15,744,654	6,439,818	7.16	900,000	3.75	3,064,818	2,463,575	13,690,000
1943	3,569,030	74,752,235	14,614,373	6,081,789	6.76	900,000	4.75	1,806,789	2,448,032	16,177,000
1944	3,692,352	76,668,879	13,755,798	5,639,253	6.27	900,000	4.00	2,039,253	2,662,119	16,825,000
1945	3,529,468	76,153,543	12,726,620	5,613,605	6.24	900,000	4.00	2,013,605	2,922,451	17,871,000
1946	3,026,413°	75,229,683	13,814,970	8,461,311	9.40	900,000	5.00	3,961,311	2,109,559	18,191,000
1947	3,608,903	104,401,628	16,221,459	9,883,845	2.20	4,500,000	1.20	4,483,845	2,240,280	23,096,000
1948	4,042,181	122,848,790	21,999,072	13,459,808	2.99	4,500,000	1.00	8,959,808	2,716,100	25,951,000
1949	4,526,115	135,304,255	23,780,430	14,509,752	3.22	4,500,000	1.00	10,009,752	3,343,994	29,178,000
1950	4,888,732	151,565,906	24,893,941	13,247,712	2.94	4,500,000	1.20	7,847,712	3,872,468	33,690,000
1951	5,479,314	179,405,026	20,926,313	10,776,927	2.41	4,475,000	1.20	5,391,477	5,053,180	39,175,000
1952	6,034,443	208,155,695	31,375,205	12,030,063	2.69	4,475,000	1.20	6,660,063	5,391,292	42,535,000
1953	6,711,222	237,003,969	36,077,913	13,232,549	2.82	4,698,750	1.20†	7,862,549	5,607,631	49,629,000
1954	5,828,760	215,923,244	27,231,414	12,752,975	2.65	4,816,218	1.20†	7,114,475	6,427,030	49,415,000
1955	5,616,793	201,718,743	17,274,396	8,026,152	1.67	4,816,218	1.20	2,246,691	7,186,735	50,011,000
1956 -	5,864,034	214,692,297	19,786,812	9,751.671	2.02	4,821,968	1.20	3,970,484	7,352,741	52,528,000
1957	6,116,077	227,224,930	19,955,587	9,777,599	2.03	4,822,068	1.20	3,991,177	7,508,440	53,238,000
1958	6,982,022	257,112,848	22,489,222	10,836,305	2.25	4,822,518	1.20	5,049,659	8,496,850	57,620,000
1959	8,064,756	295,992,022	29,075,116	13,028,672	2.69	4,851,698	1.25	6,988,311	10,082,726	62,843,000
1960	8,477,099	308,755,069	33,451,482	15,415,910	3.15	4,891,539	1.40	8,595,865	10,580,827	65,309,000
1961	8,508,286	309,807,214	30,873,888	15,115,680	3.08	4.904,491	1.50	7,769,730	11,157,507	66,232,000
1962	9,034,636	327,168,191	35,082,546	17,009,029	3.47	4,906,059	1.50	9,650,411	12,043,775	70,023,000
1963	9,397,224	343,581,741	32,116,469	15,586,402	3.18	4,907,559	1.60	7,734,988	12,964,352	72,780,000

[§]Shares outstanding at December 31.

^{\$}In addition to cash dividends of \$3.00 per share paid in 1933 and \$1.00 per share in 1935, there was a distribution of 18,000 shares of The Borden Company stock in 1933 and 9,000 shares of The Borden Company stock in 1935.

 $^{^\}dagger$ In addition to cash dividend of \$1.20 per share paid in 1953 and 1954, a 5% dividend in shares of the corporation was distributed on December 30, 1953; and a $2\frac{1}{2}\%$ dividend in shares of the corporation was distributed on December 30, 1954.

^{*}Presidential Order effective March 1 reduced quantity of grains used in brewing to 70% of 1945 usage. Reduction remained in effect until September 1 when usage was increased to 85%, restriction removed on December 1.

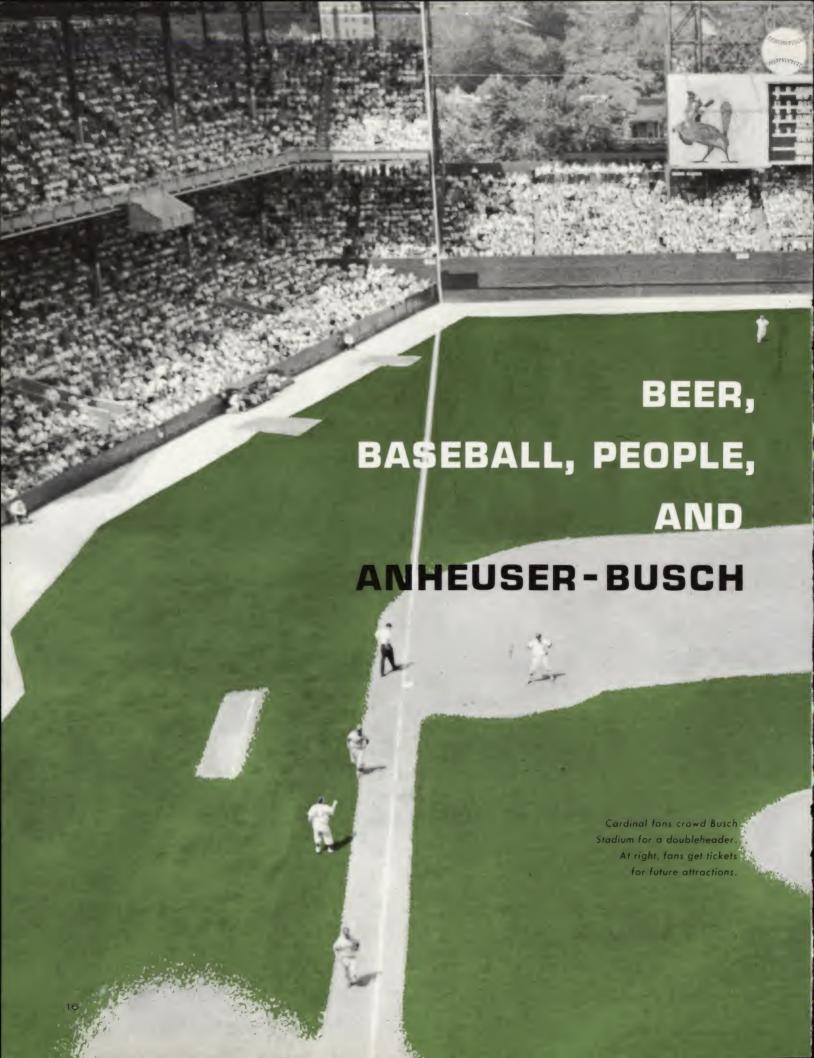


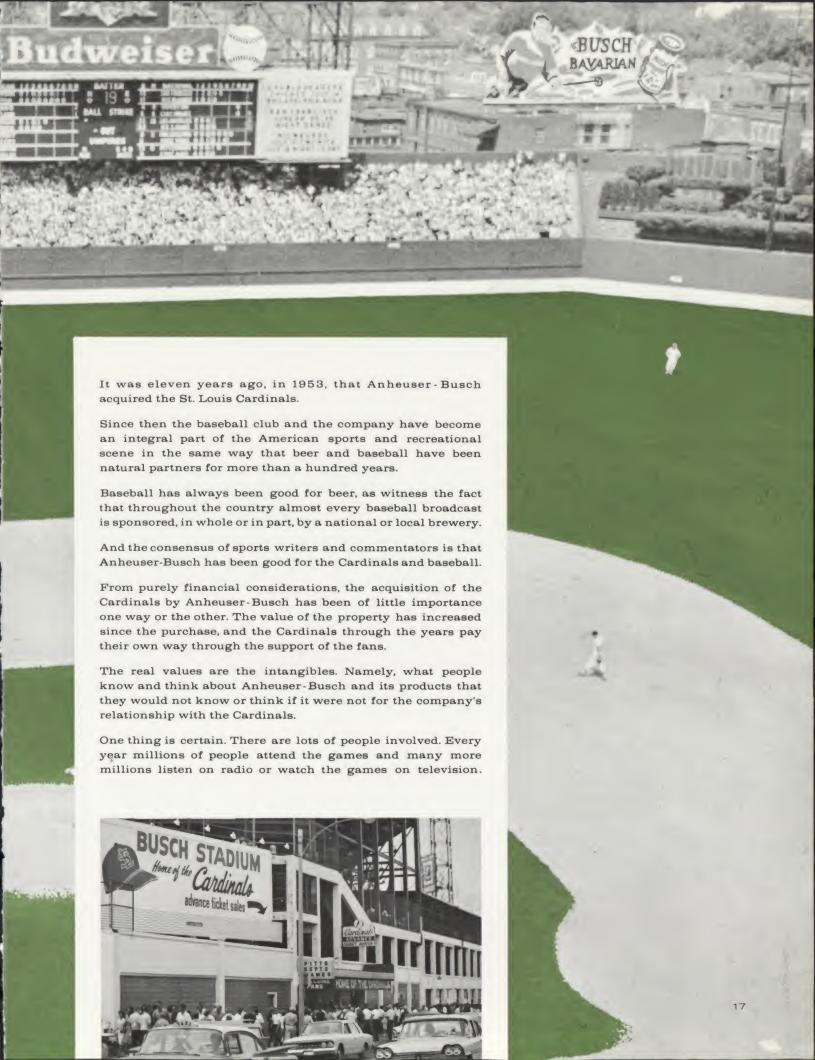
10 YEAR SUMMARY OF FINANCIAL CONDITION

1954	\$ 19,773,495	5,583,526	9,100,357	25,405,591	59,862,969		4.375.061	2,155,288	3,087,865	9,618,214		4,068,202	59,976,250	76,810,851	2,200,538	928,287	143,984,128	47,904,236	96,079,892	\$165,561,075	
1955	\$ 18,478,350	1,603,626	10,135,796	22,213,206	52,430,978		4.574.720	2,075,497	3,829,793	10,480,010		4,763,622	62,048,482	79,588,416	672,151	865,221	147,937,892	54,193,195	93,744,697	\$156,655,685	
1956	\$ 13,140,748	12,997,734	10,497,437	22,784,452	59,420,371		4,300,000	2,108,894	3,018,539	9,427,433		4,762,748	63,248,140	80,826,502	698,539	873,552	150,409,481	60,213,256	90,196,225	\$159,044,029	
1957	\$ 11,917,955	22,344,250	11,800,600	21,163,921	67,226,726		3,300,000	2,017,332	3,730,244	9,047,576		4,886,216	63,434,713	83,460,490	1,860,747	874,665	154,516,831	66,391,656	88,125,175	\$164,399,477	
1958	\$ 9,789,373	8,942,292	13,387,094	23,125,803	55,244,562		3,150,000	1,933,498	4,193,558	9,277,056		6,580,948	65,758,634	91,135,142	11,951,945	1,069,077	176,495,746	73,849,600	102,646,146	\$167,167,764	
1959	\$ 11,791,655	7,845,824	13,330,476	25,367,627	58,335,582		3,150,000	1,772,643	4,192,819	9,115,462		6,651,864	74,101,182	102,430,671	4,449,790	1,110,786	188,744,293	82,462,905	106,281,388	\$173,732,432	
1960	\$ 10,506,716	14,218,484	13,736,625	24,942,413	63,404,238		3,150,000	1,579,747	4,079,212	8,808,959		7,463,407	77,964,760	109,108,500	7,384,545	2,241,020	204,162,232	91,448,766	112,713,466	\$184,926,663	
1961	\$ 11,874,327	14,165,937	13,054,390	26,099,885	65,194,539		3,150,000	1,403,052	3,074,269	7,627,321		6,180,222	80,468,791	114,114,740	10,512,154	2,326,442	213,602,349	97,828,383	115,773,966	\$188,595,826	
1962	\$ 11,509,620	7,964,611	14,947,068	33,970,645	68,391,944		3,150,000	1,237,543	4,675,699	9,063,242		6,287,391	86,021,447	121,012,611	17,585,695	2,657,288	233,564,432	106,747,763	126,816,669	\$204,271,855	
1963	\$ 12,910,493	7,964,120	17,876,289	34,733,879	73,484,781		2,800,000	1,099,960	6,395,540	10,295,500		7,608,874	86,900,429	140,414,796	6,052,067	3,279,295	244,255,461	117,125,842	127,129,619	\$210,909,900	
ASSETS	CURRENT ASSETS:	Marketable securities, at cost which approximates market.	Accounts and notes receivable, less allowance for doubtful accounts	Inventories, at lower of cost or market	Total current assets	INVESTMENTS (at cost) AND OTHER ASSETS:	Investment and advances—St. Louis National Baseball Club, Inc.	Busch Stadium, less accumulated depreciation	Deferred charges and other non-current assets		PROPERTY, at cost:	Plant and branch properties— Land	Buildings	Machinery and equipment	Construction in progress	Other real estate	pece accimulated	depreciation		TOTAL	

1954	\$ 1,540,000 5,115,563 1,246,708	877,346	14,765,000 5,000,000	19,490,797	32,765,000	33,140,000	19,372,500	8,289,937	85,866,216	113,528,653	598,375	112,930,278 23.42	\$165,561,075	
1955	\$ 795,000 5,312,263 1,513,316	1,119,433	8,820,000	9,878,736	31,275,000	31,600,000	19,372,500	8,289,937	88,112,907	115,775,344	598,395	115,176,949	\$156,655,685	
1956	\$ 5,045,500	1,174,101	8,549,500	11,221,503	28,549,000	28,549,000	19,373,500	8,293,687	92,083,391	119,750,578	477,052	119,273,526	\$159,044,029	
1957	\$ 5,302,578 1,933,802	1,240,779	7,787,000	13,901,933	27,231,000	27,231,000	19,373,900	8,295,128	96,074,568	123,743,596	477,052	123,266,544 25.56	\$164,399,477	
1958	\$ 7,600,144 1,712,569	1,385,758	8,290,000	13,083,070	23,060,000	25,760,000	19,375,700	8,301,819	101,124,227	128,801,746	477,052	128,324,694 26.61	\$167,167,764	
1959	\$ 6,096,217	2,522,823	9,841,219	12,166,414	23,016,000	25,716,000	19,492,420	8,722,112	108,112,538	136,327,070	477,052	135,850,018 28.00	\$173,732,432	
1960	\$ 900,000 6,921,821 2,364,425	2,788,604	11,880,000	15,063,537	22,693,000	24,493,000	19,651,784	9,486,991	116,708,403	145,847,178	477,052	145,370,126 29.72	\$184,926,663	
1961	\$ 7,175,626 2,434,328	2,932,772	10,290,000	14,064,725	20,202,000	21,102,000	19,703,592	9,724,428	124,478,133	153,906,153	477,052	153,429,101 31.28	\$188,595,826	
1962	\$ 9,617,692	3,514,797	7,409,839	21,560,361	19,584,000	19,584,000	19,709,864	9,766,138	134,128,544	163,604,546	477,052	163,127,494	\$204,271,855	
1963	\$ 8,645,114 3,580,902	3,516,695	10,260,000	21,948,294	18,049,000	18,049,000	19,715,864	9,810,262	141,863,532	171,389,658	477,052	170,912,606	\$210,909,900	
LIABILITIES CURRENT LIABILITIES:	Current maturity of notes payable Accounts payable Accrued salaries and wages.	Accrued taxes, other than income taxes	Estimated federal and state income taxes	Total current liabilities	LONG-TERM DEBT: 33%% debentures maturing 1 965 to 1977, less \$1,306,000 in treasury in 1963 4% notes payable		SHAREHOLDERS EQUITY: Common stock, \$4 par value, a uthorized 6,000,000 shares (154,970 shares re- served under stock option plan); issued, 4,928,966, shares in 1963.	Capital surplus (principally arising from stock dividends)	Retained earnings (\$54,032,357, restricted as to payment of cash dividend dends under debenture)		Less cost of 21,407 shares of treasury stock	Per share	TOTAL	







How does baseball affect Anheuser-Busch?

No one really knows, nor is there any accurate way to find out.

Most observers agree that people do not take it out on the company if the ball club has had a bad series or a poor season. On the other hand, they do not buy more Budweiser, Michelob or Busch Bavarian just because the team is on a winning streak or in hot contention.

The best guess is that people-baseball fans, in particular-think well of the company's association with the Cardinals and the traditions that have made the Cardinals one of the nation's best-loved sports institutions for many years.

One reason the fans tend to regard the company and the Cardinals as separate but related organizations is the basic policy of the management. Dealings between the company and the ball club are on a formal, arm's-length basis.

Every decision is considered and made strictly on its own merits. Baseball decisions are made on the basis of whether or not they are good for baseball-not beer. Business decisions are made for the same reasons and in the same way-are they good or bad for the company?

There is no question of the fact that baseball and beer go together naturally, whether at the ball park or at home. Anheuser-Busch has sponsored broadcasts of Cardinal games ever since acquiring the club. It does so on the same basis that other sponsors also buy advertising time on the broadcasts—as an effective means of reaching great numbers of interested people with a product message.

There is no question, either, that the famous Budweiser scoreboard at Busch Stadium, which dominates the field and is a spectacle in itself, is an extremely effective advertising medium.

But the real value of the Cardinals to Anheuser-Busch and its stockholders is the fact that the company has earned the admiration and good will of millions of people by the fundamental policy of fielding the best possible team and of helping the Cardinals be of constant inspiration to young people, a credit to the game, and of value to the American people.





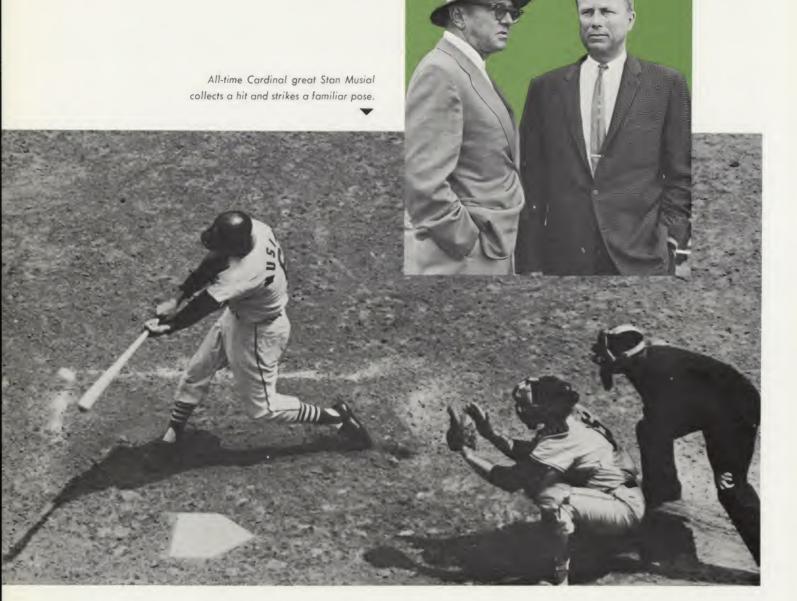
A cold Budweiser adds its pleasure to a fan's enjoyment of the game.





Manager Johnny Keane directs Cardinals strategy.

President August A. Busch, Jr., and General Manager Bing Devine confer at Cardinals Spring Traning Camp.



STARCHES, GUMS AND DEXTRINES

These products are widely used in the manufacturing and processing of paper, textiles, food and even in the drilling of oil wells.

ANHEUSER-BUSCH A-B YEAST FOOD

A yeast nutrient and wafer and dough conditioner, it is used in making bread and rolls.

D-S (Diastatic Supplement)
A diastated barley flour, it is used in the baking industry as a dough conditioner.

DRIED YEASTS

These products are used as flavoring agents to impart cheese, chicken or meat flavors to foods, as sources of protein and as sources of the natural B vitamin complex.

BUD, BRAND EGGS

The company produces a complete line of frozen and dried solids for the baking industry and other food processors.

GUARD.

Used in the baking industry as a mold inhibitor for bread and cakes.

A-B BAKING POWDER AND BAKERS CREAM

These products are used as leaveners for all types of cakes.



COTTON MAID.

This starch is produced in both the liquid and spray types and is available in retail stores in the southern part of the country.

This product provides the essential vitamins required for "vitamin enriched" white bread.

"CHIPS"

An enzyme in wafer form, it is used as a dough conditioner in the baking industry.

BUDWEISER BAKERS YEAST

Produced at the St. Louis, Mo., and Old Bridge, N. J., plants, Anheuser-Busch is the second largest domestic supplier of bakers yeast.

TABLE SYRUPS

Corn syrup, refined at the St. Louis plant, is blended with cane sugar and other ingredients at the New Orleans plant to produce the company's line of table syrups.

"Westward Ho!"

ENTERED FOR THE CITY OF ST. LOUIS
JANUARY 1, 1964

TOURNAMENT OF ROSES ENTRY

The City of St. Louis entry was judged the best float in the parade from a city outside California with a population of more than 600,000 persons.

